

ATTACHMENT C

MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF TALLAHASSEE AND GULF POWER COMPANY

This Memorandum of Understanding (“**MOU**”) is made and entered into on this ____ day of _____, 2019 (“Effective Date”), by and between the City of Tallahassee, a Florida municipal corporation (“**City**”), and Gulf Power Company, a Florida corporation (“**Company**”).

Recitals

WHEREAS, Company intends to construct a new 161kV transmission line referred to as the North Florida Resiliency Connection (“**Project**”); and,

WHEREAS, a portion of the Project will cross through: (i) the Apalachicola National Forest; (ii) City utility easements; and (iii) City owned property, collectively the “**Project Area**”; and,

WHEREAS, the Company and City wish to negotiate an agreement or agreements that allow for Company to co-locate the Project with certain city facilities within the Project Area, and agree on terms that provide for mutual benefits to both parties; and,

WHEREAS, the co-location of the Project within the Project Area will require the removal, relocation, and rebuilding of certain City transmission facilities and equipment (“**City Facilities**”) to the extent necessary to eliminate conflicts with Company’s construction of the Project within the Project Area and to provide for safe and reliable operations; and,

WHEREAS, Company’s construction of the Project within the Project Area will require the City granting easements or providing other approvals or support to Company for construction of the Project within the City Property Project Area; and

WHEREAS, the purpose of this MOU is to document the terms for negotiation of an agreement or agreements between the City and Company for Company to co-locate the Project with certain City Facilities in order to accommodate Company’s Project upon the terms and conditions stated herein.

NOW, THEREFORE, for and in consideration of the mutual covenants contained herein, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Recitals. The above recitals are true and correct and are incorporated herein by this reference.

2. Responsibilities of Company.

a) Company, at Company's sole cost and expense, will remove, relocate, and rebuild certain City Facilities located within the Project Area in accordance with the terms and conditions of a facility's co-location agreement, as more fully described in Section 4.

b) The period during which City Facilities will be required to be out of service for removal, relocation and construction will be within the City's normally planned outage windows of March 1 through May 31 and September 30 through November 30, unless otherwise mutually agreed to by the parties at least thirty (30) days prior to Company's commencement of construction activities. The Company agrees to take all reasonable measures, including expedited construction techniques and rotating outages, to ensure that planned and actual line outage durations will be reduced to the shortest time periods to prevent disruption to City utility operations, and all outages of City Facilities will be coordinated in accordance with the FRCC Local Operating Plan for NW Florida (FRCC-MS-RC-005) and will not conflict with City's planned generating unit outages¹, unless mutually agreed upon by the parties. Company shall reimburse City for all documented incremental costs and expenses incurred by the City regarding the Company's requests for outages of City Facilities. Examples of incremental costs would include, but not be limited to, acceleration costs to shorten planned generating unit outage lengths for City generating facilities or the purchase of operating reserves by the City. Where possible, the City shall provide the Company with estimated incremental costs and expenses for review and approval prior to incurring such costs and expenses.

c) Any changes in total base import or export capability resulting from the construction and energization of the Project shall not be attributed to or have the effect of decreasing City's assigned import capability under the Florida Southern Interface Allocation Agreement or City's individual base export allocation under the Florida-Southern Transmission Export Allocation Agreement in the event either agreement is amended in response to the construction of the Project. Should either agreement be amended to increase the import or export allocations, the Company shall support the position that the City benefits by such increases on a pro-rata basis to the increase in import or export in negotiations with the other Interface Owners, including affiliates of the Company.

d) Company will provide City with the necessary information to perform power flow modeling of the Florida Reliability Coordinating Council, Inc. ("FRCC") grid with the proposed Company line.

e) Company will work collaboratively with the City to jointly study the interconnection of the Project to the City's transmission system at 230kv. Should the joint interconnection studies demonstrate benefit for the City, City shall have the right to design, permit and construct an interconnection between the Project and the City's 230kv transmission system at either the City's substation 5, 32 or 34, or other mutually agreeable location, as

¹ The City's Purdom Unit 8 has a 44-day planned unit outage in the Spring of 2020 and Hopkins Unit 2 has a 60-day planned outage in the Spring of 2021. Additionally, there may be restrictions on construction in the Apalachicola National Forest by the USFS from April 1 through July 31 of each year to avoid the nesting season of the Red Cockaded Woodpecker.

determined by the joint interconnection studies. If the interconnection activities are to be pursued, Company agrees to procure and install the 161/230 kV transformer in support of the proposed interconnection.

f) Company will reimburse City for any actual costs and expenses incurred or expended by City in connection with: (i) granting Company easements or providing other approvals or support to enable the Company to co-locate the Project within the Project Area; (ii) City's support to ensure that interfacing easements with Florida Gas Transmission Company, LLC ("FGT"), Florida Department of Transportation ("DOT"), or other corporations or agencies are consistent with the Project co-location, if any; and (iii) any other costs incurred by the City to support the Project.

g) Company agrees to allow City to cross the Project with future transmission, distribution and communications facilities to support the City's operations. Such crossing will be done consistent with all applicable codes and standards.

h) The Company acknowledges that in the event there is co-location of the Project with City facilities, any route of the Project within Leon County, including but not limited to routing relating to Tram Road, must be approved by the City, at its discretion.

3. Responsibilities of the City.

a) City will provide approval to Company for the sharing of City's existing easements along portions of the Project Area, provided the design and installation of the Project are performed in a manner that is acceptable to the City, the City's operations are not adversely impacted, and the parties reach agreement on the co-location agreement as more fully described in Section 4.

b) City will enter into a co-location agreement as defined in Section 4 below, provided the terms and conditions are acceptable to the City.

c) City will provide reasonable support (subject to reimbursement of City's actual expenses by Company) in order for Company to obtain access on other portions of the City's existing transmission corridors, including, but not limited to, granting or allowing access on portions of the City's existing transmission corridors in which special use permit amendments, other permit amendments or consents, or new easements may be required to allow co-location of the proposed facilities.

d) City will provide Company with all required and reasonably requested support (subject to reimbursement of City's actual expenses by Company) necessary to ensure that interfacing easements with FGT, DOT, or other corporations or agencies are consistent with Company-City co-location.

e) City will provide to Company the necessary as-built drawings, easements, and other relevant design or engineering data necessary to plan and construct the co-located City

Facilities and Company facilities.

4. Co-Location Agreement. The parties agree to negotiate a co-location agreement, acceptable to both parties, that contains the additional following terms and conditions:

a) Design criteria that will ensure the City, can adequately maintain the City Facilities in accordance with City practices and standards during construction of and following the completion of the Project. These criteria will include at a minimum, sufficient spacing horizontally (both along and across the transmission corridor) between the Company's facilities and City Facilities to:

- i. Construct new facilities in a manner acceptable to the City that does not interfere with the City's current or relocated access to its structures, including providing at least 20 feet of horizontal clearance between Company's closest conductor and City's structures and existing and future conductors, maintained in perpetuity. As well, at least 20 feet of horizontal clearance between Company's and City's structures shall be maintained in perpetuity.
- ii. Allow for maintenance of the Company facilities and City Facilities without the other party's facilities having to be removed from service.
- iii. Meet all applicable local, state and federal codes and standards including, but not limited to, North American Electric Reliability Corporation ("NERC") and National Electric Safety Code.

b) Company's plan to maintain continuity of high-speed communications for components of the City's transmission system that are impacted by the Project during planned line outages and during the removal, relocation and rebuilding of City Facilities. The Parties recognize that temporary interruptions (e.g. hours) will be necessary as long as the transmission lines affected by the high-speed communications are out of service.

c) The City Facilities removed, relocated and rebuilt by Company for City will be independent of Company facilities, with each party's line being located on its own respective structures. The parties recognize there is a potential for crossing structures to be needed in the design. Should this occur, the parties will agree to the use of a single joint structure under a joint-use agreement, provided however, the City's circuit(s) will be located in the top position.

d) The City Facilities removed, relocated and rebuilt by Company for City will be designed as follows:

- i. Segment from Hopkins to Substation 32 will utilize concrete poles and designed using 130 mph as the design wind loading.² This segment will be designed such that the City has the ability to add a 2nd 230kv

² Designed per NESC criteria (1.0 Importance factor and 1.0 safety factors). Single conductor on both circuits (max 1590 ACSR with 2 OPGW).

- transmission line to each structure.
- ii. Segment from Substation 32 to Crawfordville Highway, if the Company seeks to collocate the project with City Facilities, City Facilities will be rebuilt and designed using 130 mph as the design wind loading.³ The Company will use its best efforts to obtain additional rights-of-way required in this segment for the Project that allows the City to have the ability to add a 2nd 230kv transmission line. The Company will include City representatives in scheduled discussions with the U.S. Forest Service regarding the Project relative to collocation of the Company's transmission line with the City's transmission line.
 - iii. Segment from Crawfordville Highway to Woodville Highway, if the Company seeks to collocate the project with City Facilities, City Facilities will be rebuilt and designed using 130 mph as the design wind loading.⁴ In order to allow for the possibility for a future additional 230 kV transmission line for the City, Gulf will provide a pole with a flange on top to allow City to add an additional pole section and install a second circuit. Gulf will provide all the materials and labor required to place the bottom circuit in service. City will be responsible for all material and labor to add the second circuit. Gulf will provide City with the technical design documents for the pole extension. The Company will include City representatives in scheduled discussions with the U.S. Forest Service regarding the Project relative to collocation of the Company's transmission line with the City's transmission line.
- e) Reconstruction of City Facilities will include the installation of optical ground with integrated fiber (OPGW) based on City standards.
 - f) The City Facilities removed, relocated and rebuilt by Company for City will be designed to have the City Facilities on the FGT side of the corridor where FGT easements exist and on the eastern side of the corridor otherwise
 - g) Each party's role with respect to compliance with applicable NERC reliability standards, including each party's responsibility for vegetation management within the shared corridors.
 - h) Each party's responsibility for maintenance of its facilities.
 - i) City agrees it will not intervene in any legal or regulatory proceeding in opposition to Company with respect to the Project so long as the Company is not in breach of any provisions of this MOU or any subsequent agreement; however, such restriction shall not apply to the City in regard to actions taken in its regulatory capacity.

5. Modification or Termination of MOU. This MOU may only be modified, amended, or terminated by written agreement signed by each of the parties. The parties agree

³ Designed per NESC criteria (1.0 Importance factor and 1.0 safety factors). Single conductor on both circuits (max 1590 ACSR with 2 OPGW).

⁴ Designed per NESC criteria (1.0 Importance factor and 1.0 safety factors). Single conductor on both circuits (max 1590 ACSR with 2 OPGW).

that this MOU will automatically terminate should the Company fail to commence construction of the Project within 18 months of the Effective Date. For the purpose of this provision, commencement of construction shall be deemed to have occurred on the date the Company has received all required legal and regulatory approvals and has initiated any construction activities within the Project Area.

6. Notice. Any and all notices, requests, demands and other communications required or permitted to be served pursuant to the terms of this MOU shall be in writing and shall be served by (i) hand-delivery, (ii) United States certified mail, with sufficient prepaid postage affixed to carry same to its destination, return receipt requested, (iii) sent by facsimile, PDF or other electronic transmission (with electronic confirmation or, with the original to follow), or (iv) overnight delivery service, in each instance with receipt requested and postage and/or delivery charges, as the case may be, paid by the party serving such notice, as follows:

Upon City:

Robert E. McGarrah
General Manager Electric & Gas Utility
City of Tallahassee
2602 Jackson Bluff Road
Tallahassee, FL 32304
850-891-5534
850-891-5162 (fax)

With Copy to:

City Attorney
300 South Adams Street
Tallahassee, FL 32301
850-891-8554

Upon Company:

With Copy to:

or to such other addresses as the parties shall designate in writing. Notice shall be deemed given when actually delivered by hand, upon receipt by electronic transmission, upon receipt by overnight delivery service, upon receipt or initial refusal of delivery by United States certified mail.

7. Governing Law. This MOU shall be interpreted and enforced in accordance with the laws of the State of Florida.

8. Counterparts. This MOU may be executed simultaneously or in counterparts,

each of which together shall constitute one and the same agreement. A facsimile or similar electronic transmission of a counterpart signed by a party hereto shall be regarded as an original signed by such party for all purposes.

[Signatures Appear on Following Page.]

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have executed this MOU on the dates shown below to be effective the day and year first shown above.

CITY:

City of Tallahassee, a municipal corporation created and existing under the laws of the State of Florida

By: _____

Name: Reese Goad

Title: City Manager

Date: _____

Approved as to Form

City Attorney

Attest:

City Treasurer Clerk

COMPANY:

Gulf Power Company, a Florida corporation

By: _____

Name: _____

Title: _____

Date: _____